

THE TACOMA NARROWS BRIDGE ACCOUNT

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

State Fiscal Year 2012, Quarter Ending September 30, 2011

	NOTES	FIRST QUARTER FISCAL YEAR 2012
OPERATING REVENUES:		
Tolling Revenue	1	11,787,852
Transponder Sales	2	110,037
Miscellaneous Revenue	3	8,043
Total Operating Revenues		11,905,931
OPERATING EXPENDITURES:		
Goods and Services		
Toll CSC Operations Vendor Contract		312,041
Toll Booth and Lane Vendor Contract		840,511
Insurance		1,486,315
Credit Card and Bank Fees		222,914
Transponder Cost of Goods Sold	4	93,204
Other	5	40,140
Personal Service Contracts	6	3,984
Salaries and Benefits		120,036
Infrastructure Maintenance & Preservation	7	31,703
Total Operating Expenditures		3,150,849
EXCESS OF OPERATING REVENUE OVER EXPENDITURES		8,755,082
NONOPERATING INCOME (EXPENDITURES)		
Undistributed Receipts/Suspense	8	(60,126)
Interest Income		17,915
Total Nonoperating Income (Expenditures)		(42,211)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		8,712,871
OTHER FINANCING SOURCES (USES)		
Operating Transfers Out	9	(10,212,126)
Total Other Financing Sources (Uses)		(10,212,126)
NET CHANGE IN FUND BALANCE		(1,499,255)
FUND BALANCE - BEGINNING		8,123,673
FUND BALANCE - ENDING		6,624,418

Toll Financial Statements were prepared in accordance with Generally Accepted Accounting Principles for governmental fund types.

The notes to the financial statements are an integral part of this statement.

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Notes:

Backlogged Financial Reconciliations - As of February 13, 2011, WSDOT transitioned tolling customer service center operations to a new vendor – Electronic Transaction Consultants Corporation (ETCC). With this transition, the new ETCC system encountered problems in the accuracy and timeliness of recording revenue and other accounting transactions. WSDOT and ETCC have investigated and corrected accounting records for known discrepancies. While we are not aware of material discrepancies in the accounting records, ETCC has not completed key reconciliations which ensure timely and accurate processing of financial transactions. Upon completion of these reconciliations, any discrepancies identified will be addressed and necessary correcting adjustments will be made.

Deferred Sales Tax Obligation – Beginning December 2012, the Tacoma Narrows Bridge (TNB) Account is required to pay \$5.7 million, each December for ten consecutive years, to the Department of Revenue for deferred sales tax related to the construction of the Tacoma Narrows Bridge. This long-term obligation is reflected in the General Long Term Obligations Subsidiary Account

Motor Vehicle Account Obligation – The TNB Account is obligated to repay a \$5.288 million loan from the Motor Vehicle Account, during the 05/07 biennium. As directed by legislation, all TNB Civil Penalty Revenue received under the future Notice of Civil Penalty Adjudication process must be transferred to the Motor Vehicle Account as repayment of the outstanding obligation until the full amount of the original loan (\$5.288 million) has been repaid.

Detailed Notes:

- 1 Tolling Revenue represents the money collected, net of any adjustments, from vehicles traveling over the Tacoma Narrows Bridge in an eastbound direction. Tolls are collected either at a toll booth or via an electronic toll account.
- 2 Transponder Sales represents the sale of transponder devices purchased by potential Good to Go electronic toll account customers.
- 3 Miscellaneous Revenue includes administrative & statement fees, NSF check fees, and cash over. Miscellaneous revenue also includes a monthly payment related to a sale of surplus property on a real estate contract.
- 4 Transponder Cost of Goods Sold represents the cost of transponders including the purchase price of transponders, packaging materials, and costs for postage.
- 5 Other Goods and Services expenditures include items such as supplies, communications, rents, repairs, services provided by outside vendors, etc. Year-to-date expenditures in the Other Goods and Services category are comprised of the following :

Supplies	\$ 1,234
Communication	\$ 9,888
Goldsmith Lease	\$ 14,612
Equipment Rental/Repair	\$ 1,397
Purchased Services	\$ 10,846
Information Technology	<u>\$ 2,163</u>
	\$ 40,140
- 6 Personal Service Contract expenditures are for costs incurred for traffic and revenue forecast consulting.
- 7 Infrastructure Maintenance & Preservation includes the cost of maintenance and bridge preservation activities on the new Tacoma Narrows Bridge not performed by TNB Toll Operations staff. (These costs include Goods and Services of \$8,110 and Salaries and Benefits of \$23,593.)
- 8 Undistributed Receipts includes all suspense revenue. This includes suspense of cash toll revenue that occurs as cash moves in and out of the account. Where applicable, suspense revenue is analyzed and periodically reclassified to the appropriate revenue source or expense item.
- 9 Operating Transfers Out is a transfer of toll proceeds and cash from the TNB Account to the Highway Bond Retirement Account to facilitate the payment of debt service.